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SUBJECT: MEDIA REACTION: U.S.- TAIWAN RELATIONS

¶1. Summary: Taiwan's major Chinese-language dailies focused their coverage July 26 on the Cabinet-sponsored Sustainable Economic Development Conference; follow-up moves to oust President Chen Shui-bian; Typhoon Kaemi, which swept over Taiwan Tuesday; and investigations into the Taipei City Government's alleged role in a cable car construction corruption case and the details regarding the Presidential Office's allowance for state affairs. The pro-unification "United Daily News" ran a front-page banner headline that read "Proposals Favorable for Cross-Strait Trade and Economics Are Overturned in Sustainable Economic Development Conference." The sub-headline added, "Sub-group Discussing Cross-Strait Trade Issues Deletes Entire Paragraph on Direct Cross-Strait Transportation and Lowering of Ceiling for Investments on Mainland, Indicating That Executive Yuan Has Completely Yielded to Pro-Independence Faction and Su Revisionist Line Suffers Setback."

¶2. In terms of editorials and commentaries, an opinion piece in the pro-status quo "China Times" discussed the association between U.S. neo-conservatism and Taiwan's nativism. The article said President Chen made two moves to safeguard his political power: reiterating the "Four Nos" to AIT Chairman Raymond Burghardt, and seeking support from pro-independence heavyweights. Washington correspondent Charles Snyder, writing in the limited-circulation, pro-independence, English-language "Taipei Times," criticized Deputy U.S. Trade Representative Karan Bhatia's recent testimony before a congressional committee regarding a Free Trade Agreement with the United States. End Summary.

A) "Bian Makes Two Correct Chess Moves"

Wu Ting-feng, assistant professor at Kai Nan Management College, opined in an opinion piece in the pro-status quo "China Times" [circulation: 400,000] (7/26):

"... Israel insisted that its 'counterattacks' were not merely a result of its feud [with Lebanon] but also a move to echo support of the United States' global war on terrorism. In reality, however, such an argument was like putting the cart before the horse. Since President George W. Bush came into power, the U.S. national defense and foreign relations have been solely controlled by neo-conservatives, whose inspiration for international strategy happened to derive from the Six-Day War in 1967. Israel's 'pre-emption' during that war was the protocol of the 'preventive battles' evidenced in the U.S. anti-terrorist war in Iraq, launched by the neo-conservatives. ...

"Taiwan cannot possibly be a regional expansionist, but for the U.S. neo-conservatives, the island, like Israel, has its 'unique cultural values.' Among Chinese countries in Asia, Taiwan is the only pro-U.S. democracy. When they compare it with 'China's socialism,' 'Hong Kong's one country, two systems,' and 'Singaporean Asian

values,' the American neo-conservatives undoubtedly have special feelings for Taiwan, especially since the island has undergone its first political power transfer.

"In other words, Taiwan's 'democracy' for the United States is just like 'nativism' for the deep-Green supporters; namely, they have won greater support and tolerance from the public. Besides, for the neo-conservatives, there is always a shadow haunting them in East Asia, namely, the rise of the giant dragon, China. ... Based on such an assumption, when it comes to the interpretation of China's image and its possible threat, the American neo-conservatives actually share a common language with Taiwan's Green stalwarts.

"Back to Taiwan: Even though Chen Shui-bian has been plagued by many scandals, low approval ratings and the pro-Green scholars' recent statement [calling for his resignation], he has, after all, made two seemingly contradictory chess moves in an attempt to save himself. First, when the U.S. expressed concern about the presidential recall motion, Chen proactively reiterated the 'Four Nos' pledge to AIT Chairman Raymond Burghardt. Such a move secured Washington's interest in continuing to offer help to cultivate Taiwan's 'democracy,' rather than changing to a different leader under the premise that U.S. geopolitical interests would not be harmed. Second, Bian called a meeting with pro-independence heavyweights in an attempt to win the nativists' support for him. Bian's two moves were more or less the keys that helped to resolve a major part of his political crisis.

"During the early years of the Cold War era, the unpopular KMT secured its political foothold because of U.S. containment policy needs. During the post-Cold War era, Taiwan unexpectedly associated with the U.S. neo-conservative authorities, who, as a result, provided support for Bian, who no longer enjoys the people's support. No matter whether the island is totalitarian or 'democratic,' Taiwan's leaders always have a guardian behind them. This is the real sadness of being the Taiwan people, who cannot be their own masters."

B) "The Truth about a US-Taiwan FTA"

Washington correspondent Charles Snyder wrote in an analysis in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (7/26):

"... In essence, Bhatia, who was stating the US administration's position on a Taiwan FTA, demanded that Taiwan enter into a neo-colonial relationship with the US, with Washington as master, before the possibility of an FTA could even be entertained. His testimony evoked the specter of the Dutch East Asia Company, of the Taipans of colonial Hong Kong, and the Opium War, when the appetites of greedy business interests were held supreme irrespective of the well-being of the people of East Asia. ...

"It has been clear for some time why Taiwan will never get a FTA. First, China absolutely opposes it, and the George W. Bush administration would not do such a thing to alienate Beijing. Second the US law that enables such agreements, known as 'fast-track' trade negotiating authority, expires next summer, and an FTA would take too long to negotiate. And third, there is no interest among US businesses for a Taiwan FTA. Former Deputy USTR Charles Freeman was most honest about the third factor, which likely holds the key to the issue. He publicly stated that the USTR does only what US businesses want it to. If there is no groundswell among US firms for an FTA, then USTR will not promote it, he openly admitted.

"That is honest. To try to justify a do-nothing approach with a Taipanesque demand for preferential treatment is not, especially in the 21st century. Unfortunately, there is little evidence that an FTA would yield great rewards for either US or Taiwan businesses or their economies. Which is the fourth reason that Taiwan will never or at least in our lifetimes get a US FTA. Let's be open about it. There's no need to be imperialistically condescending."